



## A Partnership for Success: Millennium Challenge Corporation and Africa

### Summaries of MCC African Compacts



#### Benin



**Compact Goal:** The Benin Compact, totaling approximately \$307 million, removes key constraints to economic growth and supports improvements in physical and institutional infrastructures in four critical sectors in order to increase investment and private sector activity in Benin. The Compact encompasses four projects: Access to Land, Access to Financial Services, Access to Justice, and Access to Markets.

**Expected Results:** The Program is expected to impact an estimated 5 million beneficiaries and lift 250,000 Beninese from poverty by the year 2015.

#### Cape Verde



**Compact Goal:** The Compact, totaling \$110 million, supports Cape Verde in achieving its overall national development goal of transforming its economy from aid-dependency to sustainable, private-sector led growth. MCC funds are improving the country's investment climate and reforming the financial sector; improving infrastructure to support increased economic activity and provide access to markets, employment, and social services; increasing agricultural productivity and raising the income of the rural population as well as carrying out key policy reforms needed for sustained economic growth.

**Expected Results:** At the completion of the Compact, the program is expected to increase Cape Verde's annual income by at least \$10 million.

#### Fast Facts on MCC's involvement with Africa

1. MCC is currently working with 40 countries. Of these, 19 are in Africa.
2. Of the 14 Compacts signed to date with MCC, 8 are with African countries: Benin, Cape Verde, Ghana, Lesotho, Madagascar, Mali, Mozambique and Morocco. These total over \$3 billion or over half of the total value of all MCC Compacts signed to date.
3. Of the 13 Threshold agreements MCC has signed, 6 are with African countries: Burkina Faso, Kenya, Malawi, Tanzania, Uganda, and Zambia. Two more African countries, Niger and Rwanda, were selected as Threshold-eligible by the MCC board in November 2006.

## Ghana

*Compact Goal:* The Ghana Compact, totaling \$547 million, reduces poverty through private sector-led agribusiness development. Interventions aim to reduce poverty by increasing farmer incomes and export earnings. Specifically, these investments are designed to increase the production and productivity of high-value cash and food staple crops in some of Ghana's poorest regions and to enhance the competitiveness of Ghana's agricultural products in regional and international markets.

*Expected Results:* The overall economic rate of return of the Compact is estimated at 20 percent. The program is anticipated to help directly alleviate the poverty of over 230,000 Ghanaians and to enhance the livelihood and welfare of one million Ghanaians in total.

## Lesotho

*Compact Goal:* The five-year MCC Compact with Lesotho is expected to have an economy-wide impact affecting the entire population of Lesotho. The \$363 million Compact seeks to increase water supplies for industrial and domestic use, alleviate the devastating affects of poor maternal health, HIV/AIDS, tuberculosis and other diseases by substantially strengthening the country's health care infrastructure and human resources for health capacity, and remove barriers to foreign and local private sector investment.

*Expected Results:* The Compact program is expected to have economy-wide impacts affecting the entire population of Lesotho. The Compact program is designed to lay the foundations for achieving sustainable economic growth and poverty reduction in Lesotho through its support of key areas identified by the Government of Lesotho as national development priorities.

## Madagascar

*Compact Goal:* The Madagascar Compact, totaling \$110 million, supports a program designed to raise incomes by bringing the rural population from subsistence agriculture to a market economy. The program includes three projects that will work together to help rural Malagasy secure formal property rights to land, access credit and protect savings, and receive training in agricultural production, management and marketing techniques. This integrated three-pronged approach will provide the rural population with the necessary conditions to use the land productively, to build profitable businesses and help ensure environmental sustainability.

*Expected Results:* The program aims to secure property rights to approximately 250,000 hectares of land. This will benefit about 62,000 households, increase lending in the target areas by about \$30 million, and significantly increase the number of rural producers that adopt new technologies or engage in higher value production.

## Mali

*Compact Goal:* MCC's investments, totaling \$461 million, support the development of key infrastructure and policy reform for productive sectors by addressing Mali's constraints to growth and capitalizing on two of the country's major assets, the Bamako-Sénou Airport, gateway for regional and international trade, and the Niger River Delta, for irrigated agriculture. The Program will increase production and productivity of agriculture and small- and medium-sized enterprises as well as expand Mali's access to markets and trade. The Program objectives will be met through investments aimed to increase farmers' incomes, enhance agricultural supply chains, reduce transport costs and create a platform for industrial production.

*Expected Results:* Through this program, MCC and the Government of Mali will help tens of thousands of Malians improve their standard of living. More than 40,000 Malian farmers and laborers as well as 100,000 school-aged children and their family members will have greater access to education, health services and markets. More than 50,000 workers will have formal employment because of improved opportunities in manufacturing and trade.

## Morocco

*Compact Goal:* The five-year \$697.5 million Millennium Challenge grant seeks to increase productivity and improve employment in high potential sectors including investments in fruit tree productivity, small-scale fisheries, and artisan crafts. The program will also assist small business creation and growth through investments in financial services and support.

*Expected Results:* The Compact is expected to increase Morocco's GDP by approximately \$118 million annually and directly benefit a total of 600,000 families.

## Mozambique

*Compact Goal:* The five-year Compact with Mozambique seeks to increase the productive capacity of the population in selected districts with the intended impact of reducing the poverty rate, increasing household income and employment, and reducing chronic malnutrition. The \$507 million program aims to improve water systems, sanitation, access to markets, land tenure services, and agriculture in the targeted districts.

*Expected Results:* The Program is expected to reduce the projected poverty rate by over seven percent by 2015 and by over 16 percent by 2025. As a result of program implementation, nearly 270,000 Mozambicans will be lifted out of poverty by 2015 and 440,000 by 2025.

# Millennium Challenge Threshold Program Agreements in Africa

## Burkina Faso

Burkina Faso's \$12.9 million Threshold Program is a pilot program that seeks to improve performance on girls' primary education completion rates. Specific interventions include: the construction of 'girl-friendly' schools, teacher training, providing take-home dry rations to girls who maintain a 90% school attendance rate, and providing literacy training for mothers.



## Kenya

Kenya's \$12.7 million Threshold Program aims to reduce opportunities for corruption in public governance.

Specifically, the Threshold Program will target corruption in public procurement, the delivery of health care, and the monitoring and evaluation of reforms.



## Malawi

Malawi is implementing fifteen specific interventions over the two-year period of its \$20.9 million Threshold Program aimed at preventing corruption, enhancing oversight functions, and building enforcement and deterrence capacity. The interventions intend to create more effective legislative and judicial branches of government, provide support for lead anti-corruption agencies, strengthen independent media coverage, and expand and intensify the work of civil society organizations.



## Tanzania

The \$11.1 million Tanzania Threshold Program is focused on four specific anti-corruption initiatives that include: building the nongovernmental sectors monitoring capacity; strengthening the rule of law for good governance; establishing a Financial Intelligence Unit; and curbing corruption in public procurement.



## Uganda

In Uganda, the \$10.4 million Threshold Program aims to reduce corruption by improving public procurement and financial management practices, strengthening the role of civil society, and building capacity to facilitate more effective follow-up of reported malpractices.



## Zambia

The \$24.3 million Zambia Threshold Program focuses on reducing corruption and improving government effectiveness. The Program is funding three components aimed at increasing control of corruption within the public sector, improving public service delivery to the private sector and strengthening border management of trade.

